

Janice K. Brewer Governor **EXECUTIVE OFFICE**

April 29, 2011

The Honorable Ken Bennett Secretary of State 1700 West Washington, 7th Floor Phoenix, Arizona 85007

RE: SB 1386 (WICHE student loans; repayment)

Dear Secretary Bennett:

Today I vetoed SB 1386 relating to Western Interstate Commission for Higher Education Grants.

While I support the requirement that graduates who fail to meet their contract obligations repay the full amount of state support, I cannot support extending the repayment period to 25 years. Other states in the compact have much shorter repayment periods and may even include fiscal penalties for non-payment.

price J. Brewer

Janice K. Brewer

Governor

cc:

The Honorable Russell Pearce

The Honorable Andy Tobin

The Honorable Paula Aboud

Senate Secretary

Chief Clerk of the House of Representatives

Arizona News Service

State of Arizona Senate Fiftieth Legislature First Regular Session 2011

SENATE BILL 1386

AN ACT

AMENDING SECTION 15-1745, ARIZONA REVISED STATUTES: RELATING TO THE COMPACT FOR WESTERN REGIONAL COOPERATION IN HIGHER EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona: Section 1. Section 15-1745, Arizona Revised Statutes, is amended to read:

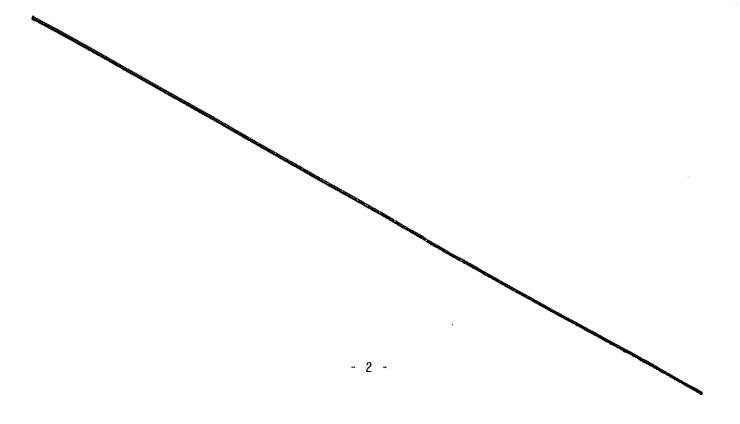
15-1745. Contract with student certified by board

- A. Before certifying a student to the commission the board shall, on behalf of this state, SHALL enter into a written contract with the student. The contract shall set forth the methods and terms of repayment by the student to this state and shall be on terms and conditions and in a form provided by the board. The contract shall provide:
- 1. That the student shall within one year after completing his professional education and internship SHALL begin the practice of his profession within Arizona. If the student engages in postgraduate studies and does so without a lapse of more than one year following the completion of his professional course, then he shall begin practice within this state within one year after completing the graduate studies. If the student is involuntarily inducted into military service, or for other cause beyond his control deemed sufficient by the board is unable to begin the practice of his profession within one year after completing his professional education, internship and any graduate studies, then he shall begin practice within this state within one year after completing his required military service or the termination of such other cause.
- 2. That if the student engages in the practice of his profession within this state or while completing military service resulting from involuntary induction, his indebtedness to this state may be discharged in one of the following ways:
- (a) By payment to this state of one-half of all sums expended by this state for and in behalf of the student with interest at the rate prescribed in subsection B.
- (b) For each year of practice or internship within this state or in military service there shall be discharged his obligation for one academic year of study for which a portion of the cost was paid by this state, except that each six months of practice shall discharge his obligation for one academic year of study if such practice is confined to a locality within the state where there is an exceptional need for his professional services as determined and certified by the medical board of examiners or licensing board of his profession.
- 3. That if the student fails to complete the required course of professional study, or if the course of study is interrupted by one school year or more for a cause or causes not resulting from involuntary induction into military service or other cause beyond his control deemed sufficient by the board, or if the student fails to practice his profession within the state for such continuous time as completely discharges his obligation, except for delays resulting from an excusable cause as prescribed in this section, one half of the entire sum paid for or on behalf of the student by this state and not repaid or discharged as herein provided IN THIS SECTION

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shall be due and payable forthwith with interest at the rate prescribed in subsection B. The board may extend the time of payment over a period not exceeding fifteen TWENTY-FIVE years and shall not require payment of interest during the existence of any excusable cause as prescribed in this section.

- 4. That if the student does not begin practice in this state within the time prescribed in this section but shall have repaid an agreed part of the sum expended by this state in his behalf, the board may permit him to discharge the balance of his obligation by subsequent practice within this state.
- 5. That in the event of the death of the student during the period of his education, internship or practice, his obligation to this state under this article shall cease except as to any portion which THAT is then due.
- B. The interest rate for a student's contract is the rate in effect for the fiscal year during which the student begins the approved course of professional study. The board shall establish the interest rate by November 1 of the current year for the following fiscal year. The board shall establish a rate equal to the average interest rate of auctioned ninety-one day United States treasury bills over the twenty-four month period ending September 30 of the current year, except that the board may round the rate to the nearest one-half per cent. Accrual of interest charges provided by the contract begins on the first day of the first complete month following graduation of the student or, for students who fail to complete their required course of study, the first day of the first complete month following the date when the student was no longer enrolled.



Passed the House April 18, 2011,	Passed the Senate Mazol / , 20 //,
by the following vote: Ayes,	by the following vote: $\frac{29}{}$ Ayes,
Nays,Not Voting	Nays,Not Voting
Speaker of the House	President of the Senate
Church Laube Chief Clerk of the House	Chamin Baits Secretary of the Senate
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Approved this day of	· ·
at, 20, M.	
Governor of Arizona	EXECUTIVE DEPARTMENT OF ARIZONA OFFICE OF SECRETARY OF STATE
	This Bill was received by the Secretary of State
S.B. 1386	this day of, 20,
	ato'clockM.
	Secretary of State